
Analyst Ideas of the Week – Capitalizing on the Strong Vancouver Rental Market

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Head of Research

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
CIBT Education Group Inc.	TSX: MBA	\$0.66	\$1.67	April-3-2019

PR Content	FRC Opinion
Announced that they have made the required down payment of \$60 million on the Global Education City (GEC) project in Richmond, B.C.	Positive - We estimate that the total projected cost of GEC projects (eight) completed / under development is \$925 million. The company will announce Q2-FY2019 results shortly. In Q1-FY2019 (quarter ended November 30, 2018), CIBT's revenues were up 20% YOY to \$17 million. EBITDA, including gain on property valuations, was \$4.28 million in Q1-FY2019. Despite a significant slowdown in real estate sales, Vancouver's rental market remains extremely tight.

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Corvus Gold Inc.	TSX: KOR	\$2.08	\$3.85	April-3-2019
PR Content Announced results of three more holes from the ongoing drill program at Mother Lode, Nevada. One of the holes, which was drilled below the existing resource, returned 41.1m @ 2.83 g/t gold and 30.5m @ 1.71 g/t gold ending in 4.14 g/t gold at 416 m depth.		FRC Opinion Positive - The current drill program is expected to result in an updated resource estimate at Mother Lode. In late 2018, the company had announced a strong PEA (based on US\$1,250 per oz gold) which showed an after-tax Net Present Value at 5% of US\$586 million, and an after-tax IRR of 38%. AngloGold Ashanti (JSE: ANG) and Coeur Mining (NYSE: CDE) also holds key projects in the region.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Telson Mining Corporation	TSXV: TSN	\$0.37	\$1.50	April-1-2019
PR Content Released results of a Leachox process testing (conducted in 2013) for potentially increasing gold and silver recoveries on the Campo Morado tailings material. The company is revisiting the Leachox process as it is now well known for low-cost recovery of gold from refractory and sulphide orebodies. Tests on the Campo Morado tailings showed recovery of up to 65% gold and 81% silver – a huge improvement from the current 15-20% gold and 30-40% silver.		FRC Opinion Positive – We are encouraged by this development. We had indicated in our recent update that the company is focused on evaluating processes to increase the recovery of precious metals. Campo Morado generated approximately US\$41 million in sales in 2018. Improved recovery rates will significantly improve the mine’s bottom-line. Tahuehueto is expected to complete construction of a 1,000 tonne/day processing facility, and initiate on-site production by the end of 2019. Therefore, we expect multiple catalysts from Telson this year.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Kerr Mines Inc.	TSX: KER	\$0.13	\$0.49	April-4-2019
PR Content		FRC Opinion		
Announced initial drilling results (4 holes / 217m) from a 10,000 m resource expansion / upgrade program at the Copperstone mine located in Arizona. The holes returned 12.2 meters @ 11.7 g/t Au (including 3 meters of 38.3 g/t Au), 6.1 meters @ 5.8 g/t Au, 4.6 meters @ 9.8 g/t Au, and 4.6 meters @ 18.3 g/t Au.		Positive – We are encouraged by these initial results, especially because a successful drill program will result in increased mine life and significant improvements to the PFS completed in 2018. The PFS showed robust economics with an after-tax Internal Rate of Return of 40.1%, at a gold price of US\$1,250 per oz. The study was based on an annual production rate of 38,347 oz for 4.4 years, with a high recovery rate estimate of 95%.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Sirios Resources Inc.	TSXV: SOI	\$0.23	\$0.44	April-5-2019
PR Content		FRC Opinion		
Completes a \$1.14 million private placement at \$0.32 per flow through shares.		Positive – Although flow through shares command a premium (typically 20%), this financing was done at a 39% premium to the current share price. We had recently initiated coverage on Sirios. Its flagship asset, Cheechoo, holds a low-grade deposit, with pockets of high to very high grade areas. A maiden resource estimate is expected in 2019. Our preliminary speculative estimate is 1.27 Moz of contained gold. We believe an attractive initial resource will open doors to a number of possible M&A opportunities.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Aton Resources Inc.	TSXV: AAN	\$0.035	\$0.16	April-2-2019

PR Content	FRC Opinion
<p>Received extension of its exploration licence on the Abu Marawat Concession in Egypt, until March 2020. The company also relinquished 20% of the land holdings to bring the package to 600 km². A previously announced \$5 million private placement is expected to be completed this month.</p>	<p>Positive – This extension (although was expected) is important as it allows the company to continue exploration, while waiting for the major mining reforms that are expected in the country this year. As detailed in our last update report, the new changes are likely to scrap the existing production sharing agreement (PSA) - a key reason why Egypt has had very little foreign investment in the exploration and development of gold resources. We believe Aton’s work to date on its Rodruin prospect implies a potential resource of 0.66 Moz (at an average grade of 1.25 gpt), if only 15% of the entire area is mineralized. Rodruin is 18 km east of Aton’s Hamama project, which has a 341 Koz inferred, and 137 Koz indicated, gold equivalent resource estimate.</p>

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Fura Gems Inc.	TSXV: FURA	\$0.31	\$1.17	April-2-2019

PR Content	FRC Opinion
<p>Announced another extension of the closing of the merger of ruby assets (three ruby licenses/concessions in Mozambique) – now from March 31, 2019 to April 30, 2019.</p>	<p>Negative – Although extensions of acquisitions of this scale are common in the industry, they are concerning, as our fair value estimate assumes completion of this acquisition. Note that Fura is ramping up production at its 76% owned Coscuez emerald mine (one of the world’s most significant emerald mines) in Colombia, so we are expecting positive developments there. Colombia is the world’s largest emerald supplier by value.</p>

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
MGX Minerals Inc.	CSE: XMG	\$0.25	\$0.75	March-29-2019

<p>PR Content Announced that it expects to generate \$2 million in revenues in 2019 from the deployment of two wastewater treatment systems in Alberta. Contracts are currently being negotiated for additional treatment systems.</p>	<p>FRC Opinion Positive – In our initiating report last month, we had indicated potential revenues of up to \$1.75 million in 2019. Therefore, management’s \$2 million guidance is encouraging. The potential market size of wastewater systems is large. It is estimated that approximately 4 billion m3 of wastewater is generated by oil and gas operations in the U.S. and Canada every year. We estimate a 1% market share for MGX and PurLucid (partner) implies potential revenues of \$1.4 billion a year.</p>
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Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Global Energy Metals Corporation	TSXV: GEMC	\$0.07	\$0.24	April-4-2019

<p>PR Content Arranged a non-brokered private placement with strategic investors for up to \$0.50 million (\$0.05 per unit). Funds will be used towards its new properties (Lovelock and Treasure Box) in Nevada. Each unit will consist of a share and one full warrant (exercise price of \$0.10)</p>	<p>FRC Opinion Neutral – The projects are located just 150 km east of Tesla’s (NASDAQ: TSLA) Gigafactory. The Lovelock cobalt historic mine had small-scale production of nickel, copper and cobalt in the late 1800s. The Treasure Box property has had historical drilling, which returned 1.52% copper over 85 feet (from surface) and 1.55% copper over 40 feet from a depth of 85 to 125 feet.</p>
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Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Wealth Minerals Ltd.	TSXV: WML	\$0.45	\$0.87	April-2-2019 April-4-2019

PR Content	FRC Opinion
Planning to postpone a previously announced spinout of its newly-formed copper subsidiary. The subsidiary is targeting two copper projects in Chile (Escalones and Cristal). The company intends to conduct a conference call to discuss their plans on April 9th, 2019 at 1:15 pm PST.	Neutral – We believe this is a pragmatic move by the management considering that the market sentiment is not conducive for a RTO transaction. The company remains focused on its lithium assets in Chile.

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Lake Resources N.L.	ASX: LKE	A\$0.059	A\$0.73	April-2-2019

PR Content	FRC Opinion
Commenced PFS on the Kachi lithium project. The company is also in discussions with multiple parties to JV / partner on the development of Kachi. Shares are suspended for trading pending news.	Neutral – This move is in line with management’s previously outlined strategy. In late 2018, the company had announced 1 Mt indicated (289 mg/L), and 3.4 Mt inferred (209 mg/L) Lithium Carbonate Equivalent (LCE) resources at its Kachi project.

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Arctic Star Exploration Corp.	TSXV: ADD	\$0.085	N/A	April-3-2019

PR Content	FRC Opinion
Commenced exploration on its Timantti project in Northern Finland. The project has three diamondiferous kimberlite bodies identified, and three kimberlite dykes. The 2019 exploration program is focused on identifying additional kimberlite discoveries.	Neutral – We were pleased with this update. In a note last month, we had mentioned that we were hoping to see details of the company’s plans on Timantti this year. Arctic’s management believes that they will be able to develop a new diamond district at Timantti, especially considering that it has a similar geology as the Grib and Lomonosova mines.



**Anthony De Ruijter, B.A. (econ)
Analyst**

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Wonderfilm Media Corp.	TSXV: WNDR	\$0.24	N/A	Apr-08-2019
PR Content The company announced that it had closed a previously announced JV with Impossible Dream Entertainment Inc. (“IDE”). As we had outlined, the JV is for the two parties to jointly develop and produce theatrical features.		FRC Opinion Neutral: The impact of the announcement was likely captured upon initial announcement.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Wonderfilm Media Corp.	TSXV: WNDR	\$0.24	N/A	Apr-05-2019
PR Content The company announced that it had closed their previous private placement for gross proceeds of \$0.84 million. Almost 10% of the issue went to the company’s CEO, Kirk Shaw.		FRC Opinion Neutral: The impact of the announcement was likely captured upon initial announcement.		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Plus Products Inc.	CSE: PLUS	\$5.25	\$7.99	Apr-02-2019
PR Content		FRC Opinion		
<p>The company announced that Jon Paul had been appointed as PLUS’s CFO, with previous CFO Craig Heimark moving to the Chief Strategy Officer position.</p> <p>Paul was previously the CEO and founder of Value Added Finance Resources, an advisory firm in which Mr. Paul has acted in various roles as CFO, board member, mentor and consultant for public and private companies for the past 20 years. He began his career at Arthur Anderson, and is a certified public accountant, a certified management consultant, holds a Bachelor of Arts in Accounting from the University of Illinois and a Master of Business Administration in General Management from Harvard Business School.</p>		<p>Positive: The company continue to attract stellar talent, and have retained Craig Heimark in a different capacity.</p>		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Plus Products Inc.	CSE: PLUS	\$5.25	\$7.99	Apr-04-2019
PR Content		FRC Opinion		
<p>The company announced the launch of Mango CBD Relief, a CBD-dominant (with minor THC content) mango-flavoured gummy candy. The new product is already available at some of the more than 250 retailers in California that carry the PLUS product line.</p>		<p>Positive: The company are the top edibles brand in the state, and they will not be able to maintain or grow that position unless they expand their brand with additional high-quality product offerings. Apart from offering a new flavour, Mango CBD Relief also provides consumers with more CBD options.</p>		

Company Name:	Ticker Symbol	Current Share Price:	FRC Fair Value Estimate:	Date of PR:
Micron Waste Technologies Inc.	CSE: MWM	\$0.36	N/A	Apr-08-2019
PR Content		FRC Opinion		
<p>The company announced an extended collaboration with BC Research Inc. (BCRI) to facilitate rapid commercialization of the Company's food waste processing system. The new Organivore™ 2.0, designed for on-site waste processing for commercial producers of food waste, including supermarkets and food processors, producers and distributors, will combine new innovations developed for the Cannavore™ system.</p>		<p>Positive: The company is expanding their product portfolio and refining their operational focus. Though pricing information and other financial specifics were not disclosed, we see this as a positive.</p>		

Cannabis Provincial Pricing Update

The below table summarizes provincial cannabis pricing across Canada as of April 8, 2019:

Province (As of 08/04/2019)	Average Price per Gram	Average Price THC per Gram	Average Price per Gram CBD	# of Products	Min. Price	Max. Price
B.C.*	\$ 11.31	\$ 11.35	\$ 11.07	161	\$ 7.23	\$ 19.80
Ontario	\$ 12.21	\$ 12.25	\$ 11.98	77	\$ 8.10	\$ 17.25
Quebec*	\$ 9.58	\$ 9.52	\$ 9.90	61	\$ 6.29	\$ 11.75
Alberta*	\$ 13.77	\$ 13.68	\$ 14.44	102	\$ 9.43	\$ 16.65
N.B.	\$ 11.30	\$ 11.26	\$ 11.42	58	\$ 6.67	\$ 16.28
P.E.I.*	\$ 10.89	\$ 10.87	\$ 10.87	87	\$ 8.13	\$ 14.35
Newfoundland*	\$ 10.73	\$ 10.95	\$ 8.67	53	\$ 7.54	\$ 14.29
Yukon*	\$ 15.12	\$ 15.07	\$ 15.85	16	\$ 10.52	\$ 21.73
Nunavut*	\$ 16.79	\$ 16.98	\$ 16.23	12	\$ 15.08	\$ 18.69
Northwest Territories*	\$ 15.26	\$ 15.26	\$ 5	5	\$ 14.44	\$ 16.06
CANADA (Excluding SK, MB, NS)	\$ 12.70	\$ 12.72	\$ 12.27			

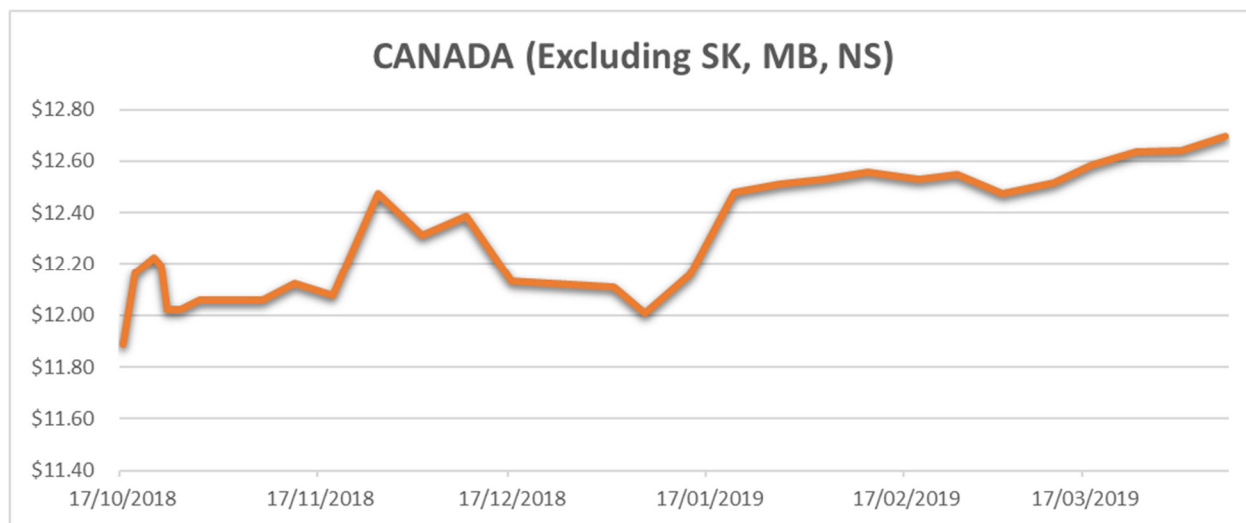
Source: FRC, Online Provincial Cannabis Stores

Pricing inched up week-over-week, hitting highs for the period since we began price coverage. Product offerings also increased significantly for many provincial webstores, with Ontario recovering from the big drop in total products that we noted last week.

Province (As of 01/04/2019)	Average Price per Gram	Average Price THC per Gram	Average Price per Gram CBD	# of Products	Min. Price	Max. Price
B.C.*	\$ 11.30	\$ 11.36	\$ 10.99	155	\$ 7.23	\$ 19.80
Ontario	\$ 12.32	\$ 12.16	\$ 13.42	47	\$ 8.10	\$ 17.25
Quebec*	\$ 9.58	\$ 9.49	\$ 10.09	60	\$ 6.29	\$ 11.75
Alberta*	\$ 13.82	\$ 13.76	\$ 14.20	84	\$ 9.43	\$ 16.65
N.B.	\$ 11.15	\$ 11.18	\$ 10.80	60	\$ 6.67	\$ 16.28
P.E.I.*	\$ 10.88	\$ 10.85	\$ 10.85	81	\$ 8.13	\$ 14.35
Newfoundland*	\$ 10.73	\$ 10.94	\$ 8.67	54	\$ 7.54	\$ 14.29
Yukon*	\$ 14.56	\$ 14.47	\$ 15.85	15	\$ 10.52	\$ 21.73
Nunavut*	\$ 16.79	\$ 16.98	\$ 16.23	12	\$ 15.08	\$ 18.69
Northwest Territories*	\$ 15.26	\$ 15.26	\$ 5	5	\$ 14.44	\$ 16.06
CANADA (Excluding SK, MB, NS)	\$ 12.64	\$ 12.65	\$ 12.34			

Source: FRC, Online Provincial Cannabis Stores

The below chart shows average price per gram nationwide since we began price coverage:



Source: FRC, Online Provincial Cannabis Stores

The data from the Statistics Canada has been updated since our last AIW and is given below. There appears to be a trend of price convergence, which we had predicted would happen as the Statistics Canada data matures through additional data entries.

Cannabis Pricing (Legal Purchases Only)	21/12/2018	14/01/2019	29/01/2019	18/02/2019	04/03/2019	12/03/2019	21/03/2019	26/03/2019
B.C.*	\$ 9.91	9.77	9.58	9.42	9.22	9.2	9.67	9.58
Ontario	\$ 10.32	10.35	10.3	10.28	10.25	10.29	10.44	10.48
Quebec*	\$ 7.91	7.73	7.73	7.68	7.69	7.69	7.72	7.75
Alberta*	\$ 10.10	10.09	10.09	10.39	10.82	10.93	10.99	11.02
N.B.	\$ 11.05	11.14	10.98	11.57	11.94	11.94	11.97	11.97
P.E.I.*	\$ 11.43	11.43	11.43	11.43	11.72	11.72	11.72	11.72
Newfoundland*	\$ 10.57	10.57	10.38	10.38	11.23	11.27	11.54	11.54
Yukon*						12.86	12.86	12.86
Nunavut*								
Northwest Territories*	\$ 13.62	13.62	13.62	13.85	14.32	14.32	14.32	14.32
SK	\$ 11.29	10.58	10.58	9.63	9.89	9.89	10.96	10.96
MB	\$ 10.25	10.81	10.81	10.81	10.89	10.54	10.81	10.81
NS	\$ 10.93	10.93	10.93	11.11	11.69	11.69	11.33	11.33
CANADA (Including Tax)	\$ 11.74	\$ 11.70	\$ 11.64	\$ 11.66	\$ 11.97	\$ 12.13	\$ 12.31	\$ 12.31

Source: Statistics Canada

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